

Features of Innovative Development Service Areas in Uzbekistan

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Abstract

The article, considering the main trends in the development of the service sector, substantiates the need to introduce innovations, and also reveals the features of innovative development of the service sector in Uzbekistan, and identifies problems in the development of innovative activities in the service sector.

Keywords: *service, service sector, service, service economy, high-tech services, innovation, R&D, patents, commercialization of innovations.*

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The modern economy is a service economy. The rapid development of the economies of leading countries has led to the dominance of the service sector over industry. Thus, the total share of services in the gross domestic product of these countries is 70–76%, the number of workers in the service sector in the total number of employees is 66–76%. In the economy of Uzbekistan in 2022, the share of the service sector in GDP reached 41.5%, the share of employed – 50.5%.¹

To the main trends and processes of development of the sphere services include:

- increasing demand for new high-tech services, including information and telecommunications, communication services, medicine, as well as increasing requirements for the quality of traditional services - household, car service, repair and restoration;
- the service sector is moving into the category of knowledge-intensive sectors economy, generating, producing a variety of innovations, in particular, in computer, telecommunications, repair and construction, medical, educational and other technologies and services;
- widespread use of complex IT systems and computer programs, telecommunications capabilities and social networks that ensure the conduct of electronic business;²
- increasing the share of financial services that
- combine products from several industries: banking, insurance and real estate;
- the consumer becomes not only an object, but also a subject of the services provided, enters into direct relationships with producers and intermediaries, controls and directs their activities, evaluates the quality of the organization of labor operations in such service sectors as tourism, education, healthcare, science and culture, entertainment industry.³

The scientific literature emphasizes that increasing the competitiveness of economic entities becomes possible only under the condition of their innovative development. At the same time, innovative development is understood as an increase in the share of R&D, the number of research personnel, the number of registered patents, as well as the introduction and commercialization of technological innovations.

Domestic research and development costs in Uzbekistan in 2022 amounted to 0.15% of GDP versus 1.1% in Russia; 3.4% – in the USA; 3.5% – in Austria, Belgium and Sweden; 5.4% - in Israel. ⁴In the “Strategy” approved by the Government of Uzbekistan innovative development of the Republic of Uzbekistan for 2022-2026”, guidelines for reaching the value of this indicator to 0.24%.⁵

Services differ from goods in a number of important respects, and these differences often cause

¹ Official website of the State Statistics Committee of the Republic of Uzbekistan. [Electronic resource]. Access mode: www.stat.uz. (date of access: 05/30/2023).

² Mannapov R. G. Organizational aspects of innovative development of the regional service sector // Innovation activities. 2012. No. 19. pp. 83–88.

³ Bass A. Ya., Razomasova E. A. Economic mechanisms for enhancing the development of the service sector in Russia // Bulletin of Tomsk State University. 2008. No. 315. pp. 141–147.

⁴ Research and development expenses as a percentage of GDP, %. <https://w3.unece.org/SDG/ru/Indicator?id=123>

⁵ Strategy for innovative development of Uzbekistan for 2022-2026. Appendix No. 1 to the Decree of the President of the Republic of Uzbekistan “On approval of the strategy for innovative development of the Republic of Uzbekistan for 2022 - 2026” dated July 6, 2022 No. UP-165. <https://lex.uz/docs/6102464>

difficulties in development innovative initiatives. One of the important problems facing in front of service sector organizations is the lack of traditions associated with innovation. A feature of innovation in service organizations is not only the composition of the service itself, but also the method of its provision and promotion. In other words, service provision involves innovation primarily in processes rather than in objects. Thus, managing innovation in services may be more challenging than in physical production.

The level of innovation development is characterized by the innovative activity of organizations as the degree of participation of the organization in the implementation of innovative activities in general or its individual types during a certain period.

The cumulative level of innovation activity is defined as the ratio of the number of organizations that simultaneously carried out innovations of all types (technological, marketing, organizational) or innovations of certain types (combinations), to the total number of organizations surveyed over a certain period. Indicators of innovative activity of service sector organizations, depending on the type of innovation, indicate a high share of product innovations only for the sphere of scientific research and development; the rest are characterized by the predominance of process innovations.

Activities related to computer and information technologies, as well as communications, are characterized by approximate equality of product and process innovations. Financing from the state budget is provided only for such activities as “scientific research and development”, in the amount of two thirds of the costs; for other service sectors, financing of technological innovation is carried out through borrowed and own funds of enterprises.

In general, the innovative activity of industries in the sphere services can be assessed as low, with the exception of innovations associated with traditional management functions in enterprises.

The need to introduce innovations for industries

services are partly determined by the organizational level of enterprises: the higher the level, the more demanded innovations become. Enterprises associated with intellectual activity and new technical and technological achievements have a high organizational level: computer services, software, repair and maintenance of imported radio and television equipment and household appliances, car service for foreign cars, cellular communications, medical and health services, dry cleaning and dyeing of clothes , consulting services. Low organizational level of activity persists at enterprises housing and communal services, repair and construction companies, social service institutions.

The main problems of development of innovative activities in the service sector:

- weak scientific and technical ties with universities and research organizations;
- lack of competent specialists in innovation activities;
- insufficiency of own financial resources, small start-up capital, limited opportunities for accumulating funds;
- lack of financial government support;
- innovations are not a priority in the structure of budget expenditures;

- use of outdated techniques and methods of work planning
- and expenses, inefficient use of material and human resources;
- the presence of a “shadow” sector of the economy that is not interested in innovation, etc.

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